



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

September 24, 2009

Paul Davis, VP of Operations
Seymour Duncan
5427 Hollister Ave.
Santa Barbara, CA 93111

Dear Mr. Davis:

RE: FINAL MONITORING REPORT for Seymour Duncan – ET08-0164

Date of Visit	09/15/09
Time of Visit	10 a.m. to 1 p.m.
Location of Visit	Santa Barbara
Persons in Attendance	Erica Munoz, HR Assistant, Seymour Duncan Naomi Weingart, ETP Contract Analyst
Date of Last Visit	04/03/09
Action Required	No

CONTRACT INFORMATION

Term of Agreement	08/07/07 – 08/06/09	Agreement Amount	\$49,842
Type of Trainee	Retrainee	Number to Retain	39
Training Start Date	08/14/07	Range of Hours	24-150
Date Training Must Be Completed	05/08/09	Weighted Avg Hrs	71

TRAINING STATUS

Project Statistics Provided by the Contractor

Trainees Started Training	50	Completed Training	20
Trainees Enrolled	50	Completed Retention	20
Dropped Following Enrollment	0	In Retention Period	0
No. Completed Min Reimbursable Hrs	20		

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

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4640 Lankershim Blvd., Suite 311
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1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5333 Mission Center Road, Suite 300
SAN DIEGO, CA 92108
(619) 686-1920

Training Status (continued):

Training began August 14, 2007 and ended May 4, 2009. The Agreement was modified in March 2008 to extend the original 12-month term to a full two years and to add curriculum. You provided classes in Continuous Improvement, Manufacturing Skills, and Business Skills to 50 trainees.

Records show that 20 trainees finished training and retention, completing a total of 1,024 class/lab hours x \$18/hour for potential earnings of \$18,832 (37% of the funding amount). Current records show that your company has already received \$13,457.55 in progress payments, which leaves a balance of \$5,374.45, provided all 20 trainees meet retention and wage requirements.

Ms. Munoz reported that training and cross-training workers in soldering and lean manufacturing skills produced better quality work and enhanced teamwork. She also said that trainees were generally receptive to training, but that it was often difficult find time to train because of production demands, and more recently, because of some layoffs due to economic conditions. Throughout the contract term, training progressed much more slowly than anticipated due to workload; the loss of your original subcontracted trainer/project administrator; the departure of your internal project administrator; difficulty finding suitable trainers, and the layoffs. Obstacles notwithstanding, Ms. Munoz was very positive about the net results; she had no problem with the ETP online systems and felt that monitoring assistance was adequate.

ATTENDANCE ROSTERS

The Monitor reviewed all class/lab attendance records for the 20 individuals that completed training and retention, and found that ETP requirements were met and properly documented on the sampling: the Training Plan was followed; the curriculum was provided as specified; and the 1:20 trainer to trainee ratio was maintained.

These findings are based only on the training records reviewed during this visit. It is your responsibility to ensure that 100% of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22 California Code of Regulations, Section 4442).

INVOICES

The Monitor reminded Ms. Munoz that your final closeout invoice should be submitted no later than 30 days after the end term date of the Agreement.

AUDIT

Seymour Duncan will be notified in writing if this Agreement is selected for a field audit (conducted at your worksite) or a desk audit (conducted by telephone). Audit Notification and Confirmation letters will be sent in advance to allow ample preparation time, and will include a list of documentation that the auditor may examine. Original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

AUDIT (continued):

- Training attendance records such as rosters and sign-in sheets;
- Payroll records of individual trainees to verify wages and hours worked;
- Personnel records regarding occupations and dates of employment;
- Documentation of employer paid health benefits (if applicable); and
- Cash receipts to verify receipt and accounting of ETP funds.

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact your Monitoring Analyst within ten working days at (818) 755-3633 or nweingart@etp.ca.gov if you have any questions or comments. Thank you for your participation in the ETP training program. We look forward to working with you again in the near future.

Sincerely,

Signature on File

Wally Aguilar, Manager
Los Angeles Regional Office

Signature on File

Naomi Weingart, Contract Analyst
Los Angeles Regional Office

Cc: Erica Munoz, HR Assistant, Seymour Duncan (email)
David A. Guzman, Chief, Audits & Program Operations Division (email)
ETP Master File
ETP Project File

Date report mailed to Contractor 10/01/09